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An Act To Protect Seniors and the Public from Unfair Health Insurance Sales Practices

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the Department of Professional and Financial Regulation, Bureau of Insurance has received complaints from consumers about misleading sales practices used by certain insurance producers; and

Whereas, many of these complaints have been associated with the sale of Medicare Part D products and other Medicare products marketed to the elderly; and

Whereas, elderly consumers may be especially vulnerable to potentially misleading sales practices related to appointments made to discuss Medicare benefits; and

Whereas, this legislation prohibits unfair and misleading methods used to solicit the sale of life, health and annuity products, including Medicare products; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 24-A MRSA §2152-B is enacted to read:

§ 2152-B. Unfair solicitation methods

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Cold lead advertising" means making use directly or indirectly of a method of marketing that fails to disclose in a conspicuous manner that a purpose of the marketing is insurance sales solicitation and that contact will be made by an insurance producer or insurance company.

B. "Medicare products" includes Medicare Part A, Medicare Part B, Medicare Part C, Medicare Part D, Medicare Advantage and Medicare supplement plans.

2. Unfair solicitation methods. It is an unfair trade practice under this chapter for an insurer or producer to:

A. Sell, solicit or negotiate the purchase of health insurance in this State through the use of cold lead advertising;

B. Use an appointment that was made to discuss Medicare products or to solicit the sale of Medicare products in order to solicit sales of life insurance, health insurance or annuity products unless the consumer requests such solicitation and the products to be discussed are clearly identified to the consumer in writing at least 48 hours in advance of the appointment; and

C. Solicit the sale of Medicare products door-to-door prior to receiving an invitation from a consumer.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect October 1, 2007.

Effective October 1, 2007.